



RECEIVED

Pay-Tel Communications Inc
PO Box 8179 • Greensboro, NC 27419 • www.paytel.com

RECEIVED

October 18, 2005

T.R.A. DOCKET ROOM

VIA FEDERAL EXPRESS OVERNIGHT

Chairman Ron Jones
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re. Docket No 04-00211
Rulemaking to Amend Public Pay Telephone Rules 1220-4-2- 43- 54

Dear Chairman Jones

I wish to follow up with you to correct a misunderstanding regarding Pay Tel's costs to complete a local collect call in Tennessee. During the September 12 TRA meeting wherein you recommended a new lower rate, you mentioned that the cost data provided by Pay Tel showed a cost of \$1.12 for a local collect call.

I apologize for any confusion surrounding our data. I have enclosed a copy of the spreadsheet I gave you during our meeting. The cost per call from small county jails without including a Facility System Administrative ("FSA") Fee, unbillables, LEC Post Billing Adjustments (PBAs) and uncollectibles is \$1.12. However, when you include all the above items, the cost is \$2.08. When you include all the above items except the FSA fee, the cost is right at \$1.50.

Even though you and I differ in our opinions regarding the inclusion of an FSA fee, I feel there is no dispute that unbillables, uncollectibles and PBAs are real costs incurred by Paytel, or any other carrier, and must be considered when arriving at the total cost of an inmate call.

Regrettably, our total cost increased significantly October 1 when BellSouth raised our Billing and Collection fees by 96%. I am preparing a new cost analysis with the increased B&C cost, which I will forward to you next week.

Pay Tel and other ISPs made a presentation to the Tennessee Sheriff's Association on October 5 and the Association unanimously passed a resolution in support of TRA action to preserve the availability of Inmate Telephone Technology –

"The Tennessee Sheriffs' Association respectfully requests that when setting rates for inmate local collect calls from county jails, the TRA must "

" ensure that ITS providers are fully compensated for all their costs of providing inmate telephone service with the latest technology."

" recognize that the inmate call revenue counties receive is necessary to help offset the staff costs incurred to administer the inmate phone system while protecting the public "


I hope you will appreciate the sheriffs' first hand knowledge of the time commitment necessary by their officers to protect the public while allowing inmate phone calls. There are real costs incurred by the counties that should be included in the price of the call and paid by the cost causer – the called parties. It is my understanding that the Association will be filing a copy of this resolution with the TRA.

Enclosed are twelve copies of this letter for distribution to the other Directors and inclusion in the agency's docket file.

I very much enjoyed meeting with you to discuss our costs and I appreciate the fact that you are engaged on this issue. I would welcome an opportunity to meet with you in the future. If you have any further questions, please feel free to email me at vtownsend@paytel.com

Thank you for your time and consideration of our issues.

Sincerely,

A handwritten signature in cursive script that reads "Vincent Townsend". The signature is written in black ink and is positioned below the word "Sincerely,".

Vincent Townsend
President

VT/bp

Enclosures